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Gambling Control Board

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AT A GLANCE

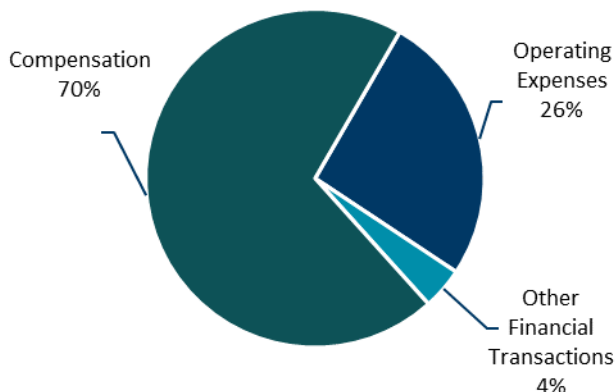
- The Gambling Control Board is the primary resource and regulator for Minnesota's lawful (charitable) gambling industry—the largest in the nation.
- The Gambling Control Board exists to ensure integrity of operations, and to provide for the use of net profits for only lawful purposes by issuing licenses and permits to nonprofit organizations such as youth, fraternal and veteran organizations. These organizations conduct gambling at sites that they own and at sites they lease, such as bars and restaurants. Organizations may only spend their gambling profits on allowable expenses (costs of running the gambling operation) and lawful purposes (charitable and other program expenditures, taxes, and regulatory fees), as allowed by statute.
- For every dollar wagered on charitable gambling in Minnesota less than two-tenths of a cent goes to fund the Gambling Control Board's regulation of lawful gambling.

PURPOSE

The Gambling Control Board regulates Minnesota's lawful (charitable) gambling industry to ensure the integrity of operations and provide for the lawful use of net profits. Lawful gambling in the state includes bingo, raffles, pull-tabs, tipboards, and paddlewheels. Proceeds are used to address a wide range of important charitable needs such as support for Minnesota veterans and their families, reducing costs for local youth activities, supporting community projects and local units of government, and providing communities with fire and safety equipment.

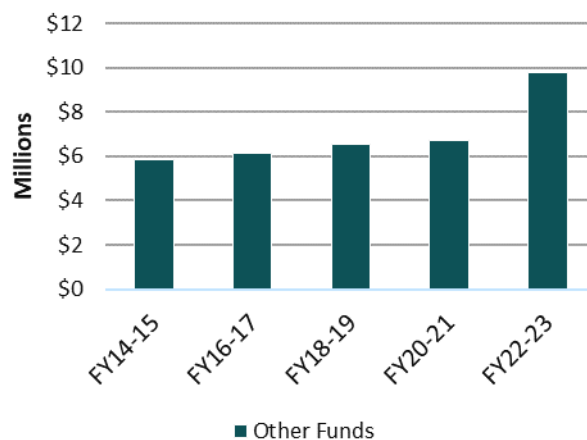
BUDGET

**Spending by Category
FY 2023 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement

The Gambling Control Board is funded entirely by the industry it regulates. License fees are collected from manufacturers, distributors, distributor salespersons, and linked bingo providers. Manufacturers also pay for game approval and testing. Nonprofit organizations conducting gambling pay license and permit fees along with a regulatory fee based on gross sales, and all fees collected go into a dedicated lawful gambling regulatory account. In FY2023 a total of \$6,830,458 was collected by the Gambling Control Board.

STRATEGIES

The Gambling Control Board consists of a seven-member citizen board and 48 full-time equivalent staff.

Regulation, education, and guidance are provided to Minnesota's lawful gambling industry through:

- The licensing and permitting of nonprofit organizations, distributors, manufacturers, and linked bingo providers
- Compliance reviews and audits of nonprofit organizations' gambling activities and financials
- Inspecting permitted premises to identify site non-compliance
- Analyzing expenditures and charitable donations reported monthly by licensed organizations
- An individualized mentoring program for nonprofit organizations to ensure compliance with statute
- Investigating for theft and fraud by inspecting gambling products and sites
- Investigating irregularities found during compliance reviews and responding to allegations made by players
- Sanctions or fines on licensees that are out of compliance with law and rules
- Monthly gambling manager seminars, continuing education classes, and presentations at state-level conventions
- Monthly board meetings to consider games and licenses and to approve special use of gambling funds such as the purchase or improvement of real property
- The publication of the *Lawful Gambling Manual*, a quarterly industry newsletter, and other materials
- A comprehensive website that includes all the required forms, records, and reports

RESULTS

Measure name	Measure Type	Measure Data Source	Historical Trend	Most Recent Data
Lawful Gambling Gross Receipts-Taxed	Quantity	Receipt information from the Gambling Control Board (GCB) database	Consistent increase yearly	\$4,600,000,000
Number of sites where gambling is conducted by 1144 licensed nonprofit organizations	Quantity	Licensing information in the GCB database.	Stable	1,144 sites
Number of sites where electronic games are played	Quantity	Licensing information in the GCB database.	Stable	2,504
Tax exempt permits issued to nonprofit organizations that conduct fewer than 5 events with less than \$50,000 in prizes during the year (gross receipts)	Quantity	Licensing information in the GCB database.	Stable	3,347
Percentage of net receipts (amount wagered less prizes paid) available for lawful purpose expenditures	Quantity	GCB reports submitted monthly by licensed organizations.	Steadily Increasing	\$330,000,000

Minnesota Statutes, Chapter 349 (<https://www.revisor.mn.gov/statutes/?id=349>) provides legal authority for the Gambling Control Board.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

2000 - Restrict Misc Special Revenue	4,243	5,515	5,107	7,592	6,334	6,334	6,334	6,334
Total	4,243	5,515	5,107	7,592	6,334	6,334	6,334	6,334
Biennial Change				2,941		(31)		(31)
Biennial % Change				30		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Program

Lawful Gambling Control	4,243	5,515	5,107	7,592	6,334	6,334	6,334	6,334
Total	4,243	5,515	5,107	7,592	6,334	6,334	6,334	6,334

Expenditures by Category

Compensation	3,264	3,876	4,297	5,342	5,342	5,342	5,342	5,342
Operating Expenses	563	1,424	777	2,225	967	967	967	967
Grants, Aids and Subsidies		1						
Capital Outlay-Real Property	15			15	15	15	15	15
Other Financial Transaction	401	214	34	10	10	10	10	10
Total	4,243	5,515	5,107	7,592	6,334	6,334	6,334	6,334

Full-Time Equivalents

34.83	42.20	43.14	51.50	51.50	51.50	51.50	51.50
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
2000 - Restrict Misc Special Revenue								
Balance Forward In		1,492		1,258				
Direct Appropriation	5,728	5,123	6,365	6,334	6,334	6,334	6,334	6,334
Transfers In		17						
Transfers Out		167						
Cancellations		950						
Balance Forward Out	1,485		1,258					
Expenditures	4,243	5,515	5,107	7,592	6,334	6,334	6,334	6,334
Biennial Change in Expenditures				2,941		(31)		(31)
Biennial % Change in Expenditures				30		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	34.83	42.20	43.14	51.50	51.50	51.50	51.50	51.50

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 2000 - Restrict Misc Special Revenue				
FY2025 Appropriations	6,334	6,334	6,334	12,668
Forecast Base	6,334	6,334	6,334	12,668
Total Governor's Recommendations	6,334	6,334	6,334	12,668
Revenue Change Summary				
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	30	30	30	60
Total Governor's Recommendations	30	30	30	60
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	1,825	1,825	1,825	3,650
Total Governor's Recommendations	1,825	1,825	1,825	3,650